



The Honorable John Kline
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter presents the views of the Departments of Labor and Education on H.R. 4297, the Workforce Investment Improvement Act of 2012, as introduced by Representative Foxx, Chair of the Subcommittee on Higher Education and Workforce Training, and Representatives McKeon and Heck. The Departments of Labor and Education strongly oppose H.R. 4297.

The reauthorization of the Workforce Investment Act of 1998 (WIA) presents a unique opportunity to promote innovation and develop knowledge of what works in the public workforce system, build on its strengths, and address its challenges. Through the reauthorization process, the public workforce system can be better positioned to help workers gain a foothold in the middle class and help American businesses find and retain the skilled workers they need to be more competitive and successful. Reforming the workforce system is a critical goal and the Administration wants to work with the Congress on a bipartisan WIA reauthorization proposal that is consistent with the Administration's reform principles. These principles include:

- Streamlining service delivery: Additional flexibility for states and localities is needed to ensure that they can provide easy access and clear information to individuals and employers in need of service.
- Providing true one-stop shopping for high-quality services: All Americans, including individuals with the most significant barriers to employment, should have access to high-quality One-Stop Career Centers that connect them with the full range of services available in their communities.
- Engaging with employers on a regional and/or sectoral basis: Federal programs should be structured to promote continual engagement by the workforce system with

employers of all sizes in high-growth sectors of the regional or local economy, as well as other stakeholders, to ensure that training programs lead to good jobs.

- Improving accountability: Performance measures must be made consistent among programs throughout the workforce system and designed to make it possible to identify the interventions that deliver the best outcomes for individuals. Workers and employers also should have easy access to information about performance outcomes for past participants and programs, so that they can make informed decisions about which programs are most likely to meet their needs.
- Promoting innovation and identifying and replicating best practices: WIA should promote the search for successful practices across programs, continuous innovation, and adoption of the most effective approaches. Federal funds also should support the exploration of new or promising service models and rigorous evaluation to identify successful strategies, including an option to apply for carefully designed cross-program waivers. Where appropriate, realigning programs should be considered as well.

We believe that H.R. 4227, the Workforce Investment Act of 2012, introduced by Representatives Tierney, Hinojosa, and Miller, provides a solid basis for advancing these principles, including the proposed establishment of a Community College to Career Fund and a Workforce Innovation and Best Practices Grants program, a common One-Stop delivery identifier, the requirement that States use college- and career-ready standards in adult education programs, and codification of the Integrated Literacy and Civic Education program.

While H.R. 4297 attempts to address some of these principles, unfortunately it does not succeed in doing so. H.R. 4297 would repeal numerous workforce programs and replace them with a single Workforce Investment Fund. The bill would also allow Governors to consolidate funding from a number of other targeted programs outside of WIA, including programs that fund important activities beyond job training and employment services, into the Fund. While the Administration supports efforts to streamline and improve the workforce system, we are concerned that the bill's approach fails to ensure that vulnerable populations, especially those with the most significant barriers to employment (including veterans, individuals with disabilities, low-income individuals and families, and low-skilled adults and youth), will receive the range of assistance they need. In addition, the bill provides no priority of service for low-income adults or out-of-school youth under the Fund, and fails to ensure that each local area receives funding for youth activities. Furthermore, the bill establishes an accountability system that would create strong incentives for programs to avoid serving individuals with barriers to employment. We are also concerned about the bill's authorized funding levels, which freeze funding at a level below FY 2012 for six fiscal years. The bill also does not do enough to promote continuous innovation and the identification and replication of effective practices.

In conclusion, while the Departments of Labor and Education strongly oppose the current version of H.R. 4297, we are interested in working with you, Congresswoman Foxx, and other members of the Committee to develop bipartisan legislation that is consistent with the Administration's reform principles and that will improve the Nation's workforce investment system. Such a bill could include the best elements of current legislative proposals, as well as one program, one Web site, and one place for displaced workers to access services regardless of the reason for their job loss, as proposed by the President in his State of the Union address.

The Office of Management and Budget has advised that there is no objection, from the standpoint of the President's program, to submission of this report to the Congress.

Sincerely,

A handwritten signature in dark ink, reading "Hilda L. Solis". The signature is fluid and cursive, with the first name "Hilda" being the most prominent.

Hilda L. Solis
Secretary of Labor

A handwritten signature in dark ink, reading "Arne Duncan". The signature is cursive, with the first name "Arne" being the most prominent.

Arne Duncan
Secretary of Education